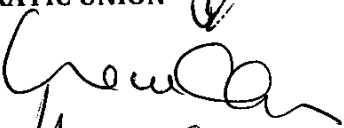


AGREEMENT
BETWEEN
E-GARMENT CO., LTD
AND
THE COALITION OF CAMBODIAN APPAREL WORKERS' DEMOCRATIC UNION

March 26, 2013


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E-Garment Co., Ltd. (here-in-after E Garment) and the Coalition of Cambodian Apparel Workers' Democratic Union (here-in-after C.CAWDU) commit themselves to co-operate together to develop a "mature system of industrial relations" with the objective of making E-Garment viable, profitable and internationally competitive based on the principles of Decent Work and grounded in respect for Cambodian Labour Law and international Labour Law Standards. To this end they agree to fully implement their commitments made in the Agreement dated March 14, 2009 (See Attachment 4)

To this end, E-Garment and C.CAWDU (here-in-after the Parties) undertake to play complementary roles as follows:

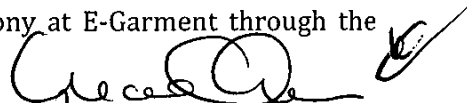
E-Garment

E-Garment will embed in its business practices respect for worker rights as an instrument of competitive advantage and will work to establish Human Resources Management Systems aimed at promoting co-operation and reducing conflict at its facility at Kandal (Cambodia)

C.CAWDU

C.CAWDU will work to develop a constructive and stable relationship with the Management of E-Garment to help improve productivity and quality in return for the implementation of the principles of "Decent Work" and promote this approach through its membership at the facility.

In addition, it will seek to build Trade Union harmony at E-Garment through the avoidance of inter-union conflicts.


Mar 26, 2013



A. GENERAL PROVISIONS

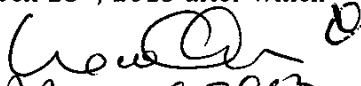
The Parties agree to:

- cooperate together to maintain a positive working environment involving regular consultation, dialogue and negotiation in accordance with Cambodian Labour Law and International Labour Standards.
- work to resolve labour issues that arise in any E-Garment facilities by dialogue and negotiation but in those situations where a voluntary agreement cannot be reached, both parties commit themselves to binding arbitration in any cases submitted, for decision, to the Arbitration Council.

B. SPECIFIC PROVISIONS

B.1. 33 dismissal workers (2008)

- E-Garment offer to re-instate on May 2nd, 2013, on permanent contracts, those 33 members C.CAWDU (Numbered 1.1 to 1.33 in Annex 1) as per the aforementioned Agreements of 2008 and 2009;
- Irrespective of any decision by those workers to take up the offer of re-instatement E-Garment will offer them the payment of:
 - a. agreed wages since the date of their dismissal of US\$ 93 per month. This will be offset against any compensation already received;
 - b. E-Garment will fully consult with C.CAWDU during the reinstatement process and will issue, no later than March 25th, 2013, a letter to all 33 dismissed workers, setting out details of the reinstatement process including the proposed date of their return to the facilities and details of payments to be made and, finally,
 - c. the workers involved will be required to indicate their acceptance of the offer of reinstatement no later than March 25th, 2013 after which time the offer will lapse;


Mar 26 2013



B.2. Dismissal of 8 workers (August 5, 2010)

- E-Garment offers to re-instate on May 2nd, 2013, on permanent contracts, 8 Trade Union members of C.CAWDU (Numbered 2.1 to 2.8 in Attachment 2) fired on August 5, 2010;
- irrespective of any decision by those workers to take up the offer of re-instatement E-Garment will offer them the payment of:
 - a. agreed wages since the date of their dismissal (August 5, 2010 till May 2nd, 2013) of US\$ 93 per month (calculated on a daily basis). This will be offset against any compensation already received.
 - b. in case of acceptance:
 - on May 2nd, 2013, E-Garment will reinstate 1 of 2 members of C.CAWDU (numbered as 2.4 - Chan Pov - in Attachment 2) who were the subject of reinstatement orders by the Arbitration Council on September 27th, 2012;
 - on May 2nd, 2013, E-Garment will compensate the remaining 7 members of C.CAWDU (Numbered as 2.1., 2.2., 2.3., 2.5., 2.6., 2.7. and 2.8 in Attachment 2) and, finally,
 - on October 2, 2013 the remaining 7 workers (Numbered as 2.1., 2.2., 2.3., 2.5., 2.6., 2.7. and 2.8 in Attachment 2) will be reinstated;
 - c. E-Garment will consult fully with C.CAWDU during the reinstatement process and will issue, no later than March 25th, 2013, a letter to the 8 dismissed workers, setting out details of the reinstatement process including the proposed date of their return to the facility and details of payments to be made and, finally,
 - d. the afore-mentioned 8 workers will be required to indicate their acceptance of the offer of reinstatement no later than March 25th, 2013 after which time the offer will lapse.

B.3. Workers on strike since January 24th, 2013

- E-Garment will accept the striking workers back to work and C.CAWDU agrees to cease the strike, which commenced on January 24th, 2013 (Numbered 1 to 156 in Attachment 3), at the time of signing this Agreement;
- irrespective of the workers' decision regarding the offer of reinstatement, E-Garment will offer them, the payment of agreed wages since the date of beginning strike January 24th, 2013 till May 2nd, 2013) of US\$ 83 per month

Handwritten signature and date: "New 26-2013" with a checkmark and initials "A.H."

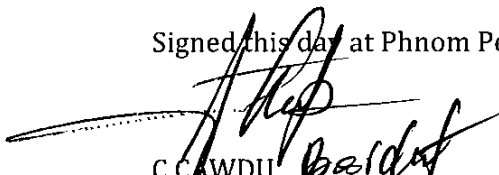
(calculated on a daily basis). Noting that any compensation already received by workers will be deducted from the May 2nd, 2013 payments;

- workers will return to work in three stages – 20 on May 2, 50 on September 2 and the remaining workers on October 2;
- the abovementioned returning workers will not be disciplined, transferred or face any reduction in pay and benefits and, finally,
- these workers will be required to indicate their acceptance of the offer of reinstatement within two weeks of the announcement

B.4. Developing mature industrial relations

- From the date of reinstatement of the workers E-Garment will finance a monitoring and coaching program to support C.CAWDU in all the issues relating to the social dialogue process with the aim to develop a constructive and stable relationship with the E-Garment Management and, finally
- Both parties commit themselves to maintaining industrial peace in the factory. The union will avoid strike action for a period of two years by referring any disputes to the Social Dialogue Committee and the Arbitration Council. If those bodies fail to resolve the dispute the Union will apply for a legal strike. The company agrees to finance the creation and functioning of the Social Dialogue Committee comprised of representatives of civil society, C.CAWDU and VKYFTU and the management. The ILO and the Arbitration Council will be invited to observe the meetings of the Committee.
- The Social Dialogue Committee will ensure that policies and procedures are drafted covering the handling of discipline and grievance cases, union organizing activities and inter-union rivalry.

Signed this day at Phnom Penh:


C.CAWDU *Baldat*
ATT THORN
President of C.CAWDU
26/03/2013


E-GARMENT

FLA

26/03/2013

AURET V. HOERDEN
26/3/13